GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1999
ANSWERED ON:09.03.2001
PERFORMANCE OF TYRE INDUSTRY
SULTAN SALAHUDDIN OWAISI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the tyre industry has been showing a negative growth due to sharp rise in the prices of petro products;

(b) if so, the details thereof;

(c) the total impact analysed by the Government in this respect;

(d) whether the Government's receipt from tyre industry has also gone down; and

(e) if so, the steps being taken by the Government to give boost to tyre industry in the wake of recent prices hike in petroleum products?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a, b, and c): No Sir. The tyre industry has not shown any negative growth due to sharp rise in the prices of petro products. Tyre industry is only indirectly affected with the rise in the petro products. The production of tyres for 1999-2000 (April to December) and 2000-01 (April to December) was 266.47 Lac nos. and 275.45 Lac nos. respectively. Thus the production has shown a growth, though marginal (+3%) during this period.

(d): The Excise Revenue from tyres, tubes and flaps during the last three years is as follows:

(Rs. In crores)

1997-98	1167	
1998-99		1133
1999-2000		1257

(e): In the Union Budget 2001-02, Government has announced a reduction of 8% Excise Duty in the case of passenger cars(from 40% to 32%) and scooter/motor cycles (from 32% to 24%) which is likely to boost demand in the automobile sector. This in turn, would provide an impetus to tyre industry by way of growth and demand from the original equipment segment.